

Legislation Details (With Text)

File #:	140448	Version:	1	Name:	
Type:	Bill	Status:		ENACTED	
File created:	5/15/2014	In control:		Committee on Commerce & Economic Development	
On agenda:		Final action:		6/19/2014	
Title:	Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by adding a new Chapter 19-4000, entitled "Income Inequality Initiative - Earned Income Tax Credit," providing for the implementation of a policy and procedures to enable all Philadelphia residents who are eligible for the federal Earned Income Tax Credit (EITC) to apply for and receive the maximum credit to which they are entitled, with particular focus on the approximately 40,000 EITC-eligible Philadelphians who have not yet applied; requiring certain employers, and certain persons or businesses that hire non-payroll employees, to provide notice concerning the EITC; and requiring the Department of Revenue to report periodically on the implementation of, and results obtained from, such a policy; all under certain terms and conditions.				
Sponsors:	Council President Clarke, Councilmember Goode				
Indexes:	FINANCE, TAXES AND COLLECTIONS, INCOME INEQUALITY INITIATIVE - EARNED INCOME TAX CREDIT				
Code sections:	19-4000 - Income Inequality Initiative - Earned Income Tax Credit, Title 19 - FINANCE, TAXES AND COLLECTIONS				
Attachments:	1. CertifiedCopy14044801.pdf				

Date	Ver.	Action By	Action	Result	Tally
9/10/2014	1	MAYOR	SIGNED		
6/19/2014	1	CITY COUNCIL	PASSED	Pass	16:0
6/12/2014	1	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
6/12/2014	1	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
6/12/2014	1	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
6/12/2014	1	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
6/12/2014	1	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
6/10/2014	0	Committee on Commerce & Economic Development	HEARING NOTICES SENT		
6/10/2014	0	Committee on Commerce & Economic Development	HEARING HELD		
6/10/2014	0	Committee on Commerce & Economic Development	AMENDED		
6/10/2014	1	Committee on Commerce & Economic Development	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
5/15/2014	0	CITY COUNCIL	Introduced and Referred	Pass	

Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by adding a new Chapter 19-4000, entitled "Income Inequality Initiative - Earned Income Tax Credit," providing for the implementation of a policy and procedures to enable all Philadelphia residents who are eligible for the federal

Earned Income Tax Credit (EITC) to apply for and receive the maximum credit to which they are entitled, with particular focus on the approximately 40,000 EITC-eligible Philadelphians who have not yet applied; requiring certain employers, and certain persons or businesses that hire non-payroll employees, to provide notice concerning the EITC; and requiring the Department of Revenue to report periodically on the implementation of, and results obtained from, such a policy; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 19 of The Philadelphia Code is hereby amended to read as follows:

TITLE 19. FINANCE, TAXES AND COLLECTIONS.

* * *

CHAPTER 19-4000. INCOME INEQUALITY INITIATIVE - EARNED INCOME TAX CREDIT.

§ 19-4001. Definitions. As used in this Chapter, the following definitions shall apply:

(1) Department. The City of Philadelphia Department of Revenue.

(2) EITC. The federal Earned Income Tax Credit.

(3) EITC Notice. A form, prepared by the Department, that provides, in clearly understandable language and format, notice of the availability of and benefits from the EITC, and a description of the services available from the City to assist in applying for the EITC along with contact information.

(4) Non-payroll worker. An independent contractor, self-employed person, or sole proprietor.

§ 19-4002. Statement of EITC Policy. It is the policy of the City to enable all persons who live in Philadelphia and who are potentially eligible for the EITC to apply for and receive the maximum credit to which they are entitled.

§ 19-4003. Implementation of EITC Policy. The Department is authorized to develop within ninety (90) days of the date that this Chapter first becomes law an EITC Policy Implementation Manual that sets forth a detailed strategy to identify, contact, and enroll by April 17, 2015 (the deadline to file 2014 tax returns and to file amended tax returns to receive EITC for 2011) all EITC-eligible persons residing in Philadelphia. The Manual should also provide a strategy for achieving the City's EITC Policy on an ongoing basis, and it should be continually updated to reflect the Department's increasing experience and expertise. The City's strategy may include, among other components, providing residents who failed to claim the EITC in prior years with prepared returns, contracting with interested non-profits to provide free federal tax filing assistance, and engaging in community outreach.

§ 19-4004. Duty to provide notice of EITC program. Beginning with calendar year 2015 and each year thereafter:

(1) Each employer shall provide each employee residing in Philadelphia from whom it withholds taxes an EITC Notice at the same time that it provides the employee with his or her federal W-2 or comparable form.

(2) *A person or business that is required to provide a non-payroll worker residing in Philadelphia with a federal form 1099 or comparable form shall provide each such worker with both the federal form and an EITC Notice at the same time.*

(3) *The Department shall notify each employer subject to subsection (1) and each person or business subject to subsection (2) of the requirements of this Section, and shall provide a downloadable version of the EITC Notice on its website.*

(4) *The Department is authorized to require employers and those who hire non-payroll workers to provide to the Department such information as will assist it in fulfilling the requirements and goals of this Chapter.*

§ 19-4005. Reporting requirements.

(1) *Within ninety (90) days of the date that this Chapter first becomes law, the Department shall prepare a report on its compliance with the EITC Policy set forth in § 19-4002. Such report may be in the form of the EITC Policy Implementation Manual described in § 19-4003, and shall be filed with the Chief Clerk of Council, with a copy to the President of Council.*

(2) *Beginning on July 1, 2015, and on that date each year thereafter, the Finance Director shall submit to Council, together with the Mayor's proposed operating budget ordinance, an EITC Policy Implementation Report. The Report shall provide the following information:*

(a) *A detailed assessment of the progress made over the preceding calendar year in executing the City's EITC Policy, including the most recently available data on the number of Philadelphia residents receiving EITC, the number of Philadelphia residents eligible for EITC, and the gap between the two, as well as those numbers for prior years; the steps taken by the City to implement the EITC Policy; and proposed measures for the succeeding calendar year;*

(b) *Budget information with respect to the past and projected cost of implementing the strategy contained in the EITC Policy Implementation Manual. Such information shall include a description by position (with respect to City employees) and contract (with respect to third-party providers) the responsibilities of those persons engaged in executing the City's EITC Policy; and*

(c) *Such other information as the Department deems appropriate or that Council by resolution requests.*

§ 19-4006. The Department is authorized to promulgate regulations implementing the provisions of this Chapter.

Explanation:

Italics indicate new matter added.